



# **Performance Management** **“Managing Results”**

**2004 Reference Guide**

March 12, 2004

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# Chapter I. Getting Started

## Introduction to the User's Guide

The performance measures reference guide is an easy to use resource for all city staff which explains the basic why and how of performance management. The guide provides clarity and consistency in both terminology and approach. We hope it will convey the importance and usefulness of performance management.

## An Overview of the Chapters

The table of contents was designed to allow you to quickly find the section of the user guide that will answer your questions.

**Chapter 1** - An overview of this users manual. Describes the purpose of the user's guide, summarizes each chapter, and explains where to get help.

**Chapter II** - An overview of performance management. Defines performance management, describes the elements of a good performance management system and the benefits to various stakeholders. The chapter briefly summarizes the national trends regarding performance management and discusses the history of performance management in Wichita. The chapter also gives a brief overview of the Performance Management project plan and the Citizen Survey.

**Chapter III** – A detailed description on how to build the Department Performance Program: mission statements, recent accomplishments, objectives, progress measures and on-going service measures. There is a section for each work program component which includes definitions, guidelines for development, templates for creating each component, examples, and answers to frequently asked questions.

**Chapter IV** – A method for collecting and tracking performance data. It provides ideas for what to measure and how to collect it.

**Appendices A and B** – Definition of key terms. Appendix A defines the terms used in this review guide. Appendix B describes the various types and categories of performance measures.

**Appendices C and D** - Provide annotated lists of performance management resources, general performance management information, a listing of other cities that have well-developed performance measurement systems, and places to look for performance measures by industry groups.

There are hundreds of books and articles written on performance management. Most of the professional groups associated with performance measurement have websites. Also, other cities can provide valuable ideas and examples and many of them have web sites as well. It may be very helpful to see what other cities have done.

Please note that there is a lot of inconsistency in the use of performance management terminology. As you look at other resources you will find that the performance management project in the City of Wichita uses slightly different definitions for some performance management terms. Despite these slight differences in terminology there are many excellent resources available, and you are encourage to explore.

## **Finding resources**

A copy of this users guide and all forms are available on the web by clicking on the performance measure link at <http://www.wichita.gov/CityOffices/Finance/Budget/>, or internally on the Intranet by clicking on the performance measures link at <http://intranet/Finance/Budget/>. In addition there are links to some of the web sites listed in the Appendix.

## **Getting help**

If the user's guide does not answer your questions, contact your Budget Analyst who is thoroughly familiar with performance management and will assist you. You may also contact the **TAP** (Technical Assistance for Performance). The **TAP** is the City's primary resource for performance management and the performance management project. They are available to work with Department staff on any and all performance management issues from creating a mission statement to developing a performance information tracking system.

## **Technical Assistance for Performance (TAP) contact information**

Joe Yager, Financial Analyst  
Email: [jyager@wichita.gov](mailto:jyager@wichita.gov)  
Phone: (316) 268-4110

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## **TAP into this useful resource!**

**Feedback is essential to performance!**  
**We want your feedback!!!!**

We hope this users guide will be useful to you. We plan to update it annually, so please send us your comments so that we can improve the 2006 guide.

Comments can be sent to your analyst or to the TAP contacts listed above.

## Chapter II. An Overview of Performance Management

### Defining Performance Management

Performance management is a way of collecting and using information to maximize service quality and resource utilization. It is a tool that allows employees, supervisors, managers, elected officials and citizens to know if we are doing the right things well. Performance measurement is the process of collecting and tracking the data used in performance management.

Performance measurement and performance management have been a growing trend for the last several years. In 1993 Congress passed the Government Performance and Results Act, which required federal agencies to measure performance and increase accountability. Professional organizations such as the International City and County Management Association (ICMA), Government Finance Officer's Association (GFOA) and the Governmental Accounting Standards board (GASB) all recommend the use of Performance Measurement as a best practice.

### Elements of a Good Performance Management System

According to the Governmental Accounting Standards Board, a good performance management system provides information that is useful in decision-making and assessing accountability (GASB concept statement #2).

There are several components that are necessary for a good Performance Management system:

- **A good performance management system provides information that is useful.** It should tell employees, managers, elected officials, and citizens something meaningful. The information should target areas of improvement for City employees while conveying to citizens the answers to important questions about how resources are being used. Another way performance information can be useful is by allowing comparisons; comparisons within the Department over time, and comparisons between other similar organizations outside the city.
- **A good performance management system provides information that is clear and understandable.** The people using the information need to be able to understand what it means. Basic measures such as costs, averages, and percentages are relatively simple and understandable to most people. However, it is important not to oversimplify and lose vital information.
- **A good performance management system must have a balance of measures to reflect all components of the work program.** Since what is measured is what gets noticed, it is important to be careful about what gets measured. When measuring cost and speed it is also vital to be certain that the quality of the work or product remains high.
- **A good performance management system must encourage, not hinder, performance.** It is vital to create an organizational culture, which deals constructively with the information provided, rewards success, and provides proactive assistance in areas identified as needing improvement.
- **A good performance management system is careful that collection and tracking of performance is relevant and not overly resource intensive.** It is important that the process of collecting and tracking information be an integral part of service provision. Therefore it is necessary to identify and communicate the benefits of collecting and tracking information.

**Benefits to Departments.** Performance management provides department supervisors and managers with a powerful management tool. It allows managers to know which areas of their operation are functioning well, and which areas need improvement. Additionally, a good performance management system can provide information that will help Department heads articulate and support budget requests. It allows managers to communicate clearly and effectively the quality of the services they are providing.

**Benefits to Elected Officials.** Performance information can be extremely useful to elected officials who need to know how well services are being provided. Performance information can assist elected officials in deciding how to allocate scarce resources. Good performance information also can help predict costs of expanding services and impacts of reductions.

**Benefits to Citizens.** The primary benefit to citizens is the increased quality and efficiency of services. A good performance management system identifies areas for improvements so that services are delivered efficiently and effectively. A good performance management system also helps to ensure that resources and tax money are used wisely and appropriately. Finally, this type of system makes performance information available to all interested parties. Citizens can be better informed of how their city is being run and how their tax dollars are being used.

## **Performance Management and the City of Wichita**

The City of Wichita has a long history of performance measurement. The oldest document found in the Budget archives is dated 1910 in which the sewer department reported clearing 249 sewer stoppages and 84 catch-basin stoppages in the year. The 1943 master plan compared selective statistics to Spokane, Fort Wayne, Knoxville, Bridgeport, and Tulsa.

In 1988 there was a renewed focus placed on performance management. To facilitate the City's performance measurement development, an initial on-site seminar was conducted for staff by Paul Epstein, consultant and author of performance measurement works. This was followed by an implementation phase, directed by Dr. Mark Glaser, loaned faculty from the Wichita State University (1989-1990 academic year) and later a Special Assistant to the City Manager. Throughout the 1990's the City focused on an approach that performance measurement does not improve performance, but that it does increase communication which in turn can then impact performance. This resulted in a large collection of data for internal purposes that were rarely used for budgeting purposes. Most of these measures focused on basic workload measures. To report these measures the City of Wichita provided a performance measurement document, separate from the Budget.

Over the last several years, the City of Wichita has taken several steps to increase the usefulness of and focus on performance measurement. During this time the City has refocused the Budget document to reflect certain performance measures. This project plan is a direct product of the most recent effort to revisit and improve the performance measurement initiative. The project plan was developed to make performance management an integral accountability tool for citizens, elected officials, managers and employees of the City of Wichita over the next three to five years.

## **The Performance Management Project Plan (2004)**

The Performance Management project has three phases which are depicted in the chart below. The purpose of phase I is to develop a plan, establish a common language and materials and lay the groundwork for the full implementation of a performance management system. In phase II the focus is on improving the quality and quantity of performance measures, developing data collection and tracking mechanisms and fostering a citywide culture, which uses and values performance measurement. Phase III will finalize the implementation of the Performance

Phase	I	II	III
<b>I. Purpose</b>	The purpose of phase one is to introduce the concept of performance measurement and to lay the groundwork for the full implementation of a performance management system.	Improve quality and quantity of performance measures to develop a city wide culture that uses and values performance management	Finalize the implementation of the performance management project and ensure the appropriate mechanisms are in place to foster an on-going ever-adapting performance management system.
<b>II. Goals</b>	<ul style="list-style-type: none"> <li>- Develop Performance Management Project Plan</li> <li>- Revise the budget process to emphasize performance programs and performance measures rather than focusing solely on numbers</li> <li>- Foster collaboration within the city to increase awareness and utilization of performance management</li> <li>- Work with Departments to develop Department Performance Programs consistent with performance management</li> <li>- Develop education resources to increase understanding of performance management</li> <li>- Use technology to setup centralized system for entering performance measure data (paperless)</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to increase understanding of performance management through education and outreach efforts</li> <li>- Improve the quality of performance information</li> <li>- Expand reliance on performance data in decision-making (especially resource allocation)</li> <li>- Develop data collection and tracking mechanisms to support an on-going performance management system</li> <li>- Begin developing an incentive system to reward and acknowledge excellence in performance</li> <li>- Begin working with Departments to tie the Performance Management project to relevant training and individual employee performance evaluations</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to update performance programs and collection mechanisms as needed</li> <li>- Continue education efforts and promote the use of performance measurement as an effective management tool</li> <li>- Create a performance document separate from the budget book to evaluate performance</li> <li>- Use performance information consistently in decision making</li> <li>- Finalize and implement policies and procedures that will foster continuous review of the performance management system</li> </ul>
<b>Status</b>	Completed by December 31, 2004	January 1, 2005	January 1, 2008

Management Project and ensure the appropriate mechanisms are in place to foster an on-going ever-adapting performance management system.

### Phase I

Phase I begins with the reformatting of the annual budget book to place as much emphasis on the "Department Performance Program" as on the budget numbers. As part of this reformatting, each Department will be asked to provide a mission statement and recent accomplishments. The new format will link performance measures with associated objectives. These components—Department and division descriptions, mission, recent accomplishments, future year—constitute the Department Performance Program. Additionally, clear, understandable, educational materials and resources regarding performance management, such as the attached users guide, are to be developed.

### Phase II

Phase II will improve the quality and quantity of performance measures and foster a citywide culture that uses and values performance management. During Phase II, the Budget Office and City Departments will refine the agency work program, with a particular emphasis on performance measures. Phase II also will focus on developing the collection and reporting mechanisms for performance data. Lastly, performance information become more prominent in decision-making.

### Phase III

**Phase III will finalize the implementation of the performance management project and ensure the appropriate mechanisms are in place to foster an on-going ever-adapting performance management system.** Performance management resources and educational materials will be continuously updated and collection mechanisms will be refined. A performance document, separate from the annual Budget Book, will be produced (much like the Charlotte, NC example attached). Performance management information will be used by decision-makers on

all levels to ensure the best possible use of resources and the best possible services. Other opportunities to share performance measures with citizens will include use of the City TV station (Channel 7) by producing a Performance Report on a monthly or quarterly basis.

### **Citizen Survey**

Citizen input is an essential element to successful performance programs. There are several options the City will consider to include citizen participation. These surveys will offer insight into residents' perspectives about local government performance and provide important benchmarks for performance measurement.

The results of the citizen survey will be communicated to citizens, elected officials, managers and city employees. The results will be used to identify areas of success and areas which may warrant additional resources. Additional research will need to be done in order to translate citizen survey results into programmatic changes or service improvements. However, taken together the Citizen Survey and the performance management initiatives will help make the City of Wichita more responsive, accountable and efficient.

### **Conclusion**

This process will take several years, and will at times be challenging. Performance management means a cultural shift, and change is often difficult. However, through diligent effort a performance management system can be developed, which will give agency managers, elected officials, and citizens accurate and useful information about the quality and efficiency of service provision and resource utilization in the City of Wichita.



## Chapter III. Developing a Department Performance Program

This chapter will discuss the components of the Department work program, how to develop each component, and provide examples and answers to frequently asked questions.

### Defining the Department Performance Program

The Department work program is the narrative part of the annual budget document. It explains why a Department exists and how it serves its customers. The Department work program consists of several components: Department and Division descriptions, mission, recent accomplishments (formerly known as Prior Year Accomplishments), future year objectives, and performance measures.

The various components of the work program articulate the Department's vision and purpose from the highest, most abstract level to the lowest, most detailed level. At the highest and most abstract level is the Department description and mission. These give a high level summary of the Department's vision and purpose. The Division descriptions and on-going service measures provide a more detailed picture of what the Department does on an on-going basis. Finally, the recent accomplishments, objectives, and progress measures focus in very specific terms on the past and the coming years.

These work program components answer the same questions, what, for whom, why, and how. However, each step narrows the focus, moving from the broadest, most abstract to the narrowest, most detailed and focused perspective.

The Department description and mission describe the over-all purpose of the Department in terms of what, for whom and why, (i.e. Keep Denver clean and beautiful for its citizens by providing solid waste services). Next, the Division description and on-going service measures, again ask what, for whom, and why, but with a narrower focus and with the added component of how (i.e. Keep Denver clean and beautiful by collecting trash and recycling, large item pick-up and removing graffiti). Finally, Recent Accomplishments, (formerly known as Prior year accomplishments), objectives and progress measures, say what, for whom, why and how, but with an even narrower focus, (i.e. keep Denver clean by adding additional trash collection routes in the highest density areas).

### Department Description

The **Department Description** provides a summary of the purpose and basic responsibilities of a Department. It is brief, two to five sentences, and does not list every Division in detail. **A Department description should answer the questions: what, for whom, and why.**

### Division Description

**A Division** is a subsection of a Department. Each Division has responsibility for a specific part of the Department's mission. For example Water and Sewer has six major Divisions: Administration, Production and Pumping, Customer Service, Water Distribution, Sewage Treatment, and Sewer Maintenance. Each of these Divisions addresses a particular component of the Department's mission. (Note – It is up to each Department to determine what will be considered a Division for Performance Management purposes.)

The Division description provides specific and detailed information explaining why a Division exists and what it does. It is more detailed than the Department description. The Division description is clear and brief, approximately one to four sentences.

## Mission Statements

The **Mission Statement** is a brief summary of why the Department or department exists and what it is trying to achieve. It tells what the Department does, who they do it for, and why. The statement is specific enough to describe the Department's purpose but general enough to last into the future (not project-bound).

A good mission statement fits the following guidelines:

- It is brief (1 sentence)
- It answers the questions: What? For whom? And why?
- It is broad and general, avoids being too specific.

To help formulate mission statements the following template is provided. Each Department is required to include a mission statement as part of their annual budget submission, but the mission need not change every year. This template is intended to assist agencies in developing or refining their mission statement.

### Mission Statement Template

The purpose of \_\_\_\_\_ (name of Department)  
is to provide \_\_\_\_\_ (service or product; "what?")  
to \_\_\_\_\_ (immediate customer; "who?")  
so that \_\_\_\_\_ (RESULT, impact, change; "why?")

### Examples of Mission Statements form Denver's 2003 Budget Book

#### Denver International Airport (DIA)

Enhance economic prosperity and quality of life in Denver and the region by providing and managing a major airport system to connect people and products with the world.

#### Central Services

To provide timely, efficient, responsive office production services that are competitive with the private sector to City agencies to enable them to function in the most efficient way possible.

#### Environmental Health Public Health Inspection

To protect the health and safety of all consumers in the City and County of Denver by ensuring regulated businesses comply with applicable laws.

*Note – Other examples can be found by visiting the websites of the Cities listed in the appendices contained in this document.*

## Frequently asked questions about mission statements

**Q:** What does the mission statement refer to?

**A:** The mission statement refers to the entire Department. In some cases a large department with multiple divisions may choose to have each division within the

Department share a mission, while in other cases, some or all of the divisions within a Department may have their own individual mission statement.

### **Recent Accomplishments**

**Recent accomplishments** are one of the components of the Department performance program. They refer to the previous 12 to 18 months, and list significant accomplishments that the Department was able to achieve.

#### **Recent accomplishments should fit the following guidelines:**

- Each Department may have 1-3 recent accomplishments.
- Each recent accomplishment should be brief; approximately one to two sentences.
- Each recent accomplishment should talk about something notable in the previous 12 to 18 months.
- If the information is contained in the performance measures it may be redundant to include it in the recent accomplishments.

#### **Examples of Recent Accomplishments from Denver's 2003 Budget**

##### **Auditor**

Launched the procurement card program, in conjunction with Purchasing. By allowing consolidation of multiple purchases on one payment request this has reduced the number of vouchers by approximately 650 per month.

##### **Board of Ethics**

The Board of Ethics developed an ethics handbook for all City employees to provide information regarding the code of ethics.

##### **Clerk and Recorder**

Made all contracts and ordinances available to the public in electronic format through the City's website, *DenverGov.Org*.

*Note – Other examples can be found by visiting the websites of the Cities listed in the appendices contained in this document.*

### **Frequently asked questions about recent accomplishments**

**Q:** What is a recent accomplishment?

**A:** Recent Accomplishments are the Department's chance to highlight their major successes and accomplishments over the last 12 to 18 months. Recent accomplishments are one of the components of the Department work program.

**Q:** What year do recent accomplishments refer too?

**A:** Recent accomplishments refer to the past 12 to 18 months. They can refer to an accomplishment from yesterday, as far back as the beginning of the previous budget year. Therefore when building the 2005 budget you can list accomplishments from the present day back through January of 2003.

**Q:** How do we know if something should be an accomplishment or an on-going service measure?

Generally an accomplishment is something very specific that is easy to state in words. If the change is quantitative in nature and would be more easily understood in the chart format which

shows current year compared to prior year performance, then it should be included as an on-going service measure.

### Objectives

An objective describes a proposed change in service or new initiative that the Department is planning. Objectives can be large (a new building or program), or small (improving turn-around time). They reflect a proposed enhancement in products or services. The objective should state: what the objective is, whom the objective is intended to impact, what the proposed impact is, and how the impact will be achieved.

#### Objective statements should fit the following guidelines:

- The objective should clearly relate to the Department mission.
- The objective should be something that can be achieved and verified.
- It should be clear why we should achieve the objective/what the benefit is.
- The objective should address a change, not simply repeat something already stated in the Division description.
- The wording should be concise and easy to understand.
- Each objective should only address one goal.
- There should be a clear relationship between the action and the desired outcome.

To help develop objectives use the following template to define what the specific objective is, who is the intended beneficiary, what is the intended outcome, and how you intend to reach that outcome. **Each Department is required to include objectives as part of their annual budget submission.** This template is intended to assist agencies in developing or refining their objectives.

Remember an objective is a *change* in service. Continuing to do your core work program does not require an objective. This may mean that not every Division will have an objective in the budget book.

#### Objective Statement Template

The objective is to provide \_\_\_\_\_ (**service** or product; “what?”)  
to \_\_\_\_\_ (immediate **customer**; “who?”)  
by \_\_\_\_\_ (changing adding **process** or **service**; “how?”)  
so that \_\_\_\_\_ (result, impact, change; “why?”)

#### Example Objectives from Denver’s 2003 Budget

##### Public Works Development Engineering Services

Develop and adopt written transportation design standards to make it easier for internal and external customers to provide adequate design plans to the City for review.

##### City Attorney-Employment Law

Reduce the processing time for new litigation by utilizing the capabilities of the case/matter management system.

*Note – Other examples can be found by visiting the websites of the Cities listed in the appendices contained in this document.*

## Frequently asked questions about recent accomplishments

**Q:** Must every major Division have an associated objective?

**A:** No, since a Department can only undertake a certain amount of change in any given year, it is unlikely that every Division will have an associated objective. Divisions that are not undertaking any new initiatives can report performance on activities and services in the On-going Service Measures section.

**Q:** Must every objective have a progress measure?

**A:** When establishing an objective it is always important to identify measures, which will let you know if the desired impact has been achieved. However, in some cases measuring the objective is simply a yes or no answer, for example, Did the new computer system get implemented? Was the Department able to get the new ordinance passed? In cases such as these, the progress or achievement of the objective is demonstrated in the accomplishments sections. For example, In 2002 "Department/division" implemented a new computer system that will create a more efficient contract processing system.

In some cases the desired impact may be measurable, but not in the same year as the objective is accomplished. In these cases a progress measure wouldn't be necessary, but the impact should be demonstrated in the on-going service measures. For example, once the new work order system is in place the on-going service measures might reflect faster turn-around time. Or once the new lead-based paint ordinance is passed, the on-going service measures might reflect a lower rate of lead poisoning.

## Performance Measures

Performance measures are a quantitative way of tracking and reporting what work is done and how well it is done. The City of Wichita tracks two categories: Progress Measures and On-going Service Measures. Progress Measures have a defined relationship with a specific objective, while On-going Service Measures are not associated with an objective.

### Progress Measures

Progress Measures are performance measures that are associated with an objective. They show the Department's progress in achieving the desired results stated in the objective statement. There are five different types of performance measures that can be used to measure progress: Demand, Workload, Efficiency, Effectiveness, and Productivity. Further explanation of these measures can be found in Appendix B. Note that the last line of the objective statement template talks about the results.

### **Good progress measures should fit the following guidelines:**

- The measure tells something useful.
- The measure shows the impact of the product or service or how well it is being provided.

### **Developing progress measures:**

When developing progress measures, or any type of performance measures, the following questions can be helpful.

- ✓ What are the desired results of the objective?
- ✓ How will you know when (if) you have achieved those results?
- ✓ What specific information will help you know whether you have achieved those results?

- ✓ What approaches will be used to collect and track this information?
- ✓ Who will be responsible for collecting and tracking the information?
- ✓ Who will be responsible for reporting the results?
- ✓ Who is the audience for the information: Operational managers, other city agencies, elected officials, or citizens?
- ✓ Once collected, how will you use the information to make your products or services better?

#### **Examples of Objectives and Progress Measures from Denver's 2003 Budget Book**

##### **Auditor's Office**

Improve the efficiency of the audit process by increasing the number of audits performed and findings developed, while decreasing the hours and calendar days spent per audit

*Progress Measures:*      Number of audit reports issued  
                                  Average number of hours per audit  
                                  Average number of months per audit

##### **Public Works Wastewater Administration**

Provide more timely feedback to the ratepayer by expediting the time to complete a formal sanitary or storm account review/work-up.

*Progress Measures:*      Average number of days to complete sanitary sewer account reviews/work-ups  
                                  Average number of days to complete storm  
                                  Drainage account reviews/work-ups

##### **Mayor's Office of Employee Assistance**

Increase utilization of the Cancer Buddies program and refine the matching process to maximize effectiveness of service to employee clients, and improve productivity and morale

*Progress Measures:*      Number of volunteer buddies  
                                  Number of clients enrolled  
                                  Percent of successful matches  
                                  Percent of satisfied buddies  
                                  Percent of satisfied clients

*Note – Other examples can be found by visiting the websites of the Cities listed in the appendices contained in this document.*

### **Frequently asked questions about progress measures**

- Q:**      Must there be an objective for every progress measure?
- A:**      Yes, since progress measures measure progress in achieving an objective, it is not possible to have a progress measure without an associated objective. Measures that are not associated with an objective are On-going Service Measures.
- Q:**      What if it's not possible to measure this objective? What if I think of a good measure, but can't actually collect or track the information?
- A:**      You can find some ideas for measures by looking at other cities or industry guidelines. Review Appendix C; call your analyst or a member of the Technical Assistance for Performance, (See Chapter 1—Getting help).

### **On-going Service Measures**

**On-going Service Measures** are performance measures that report information about the Department's core services and programs. They are used when a Department wishes to report performance, but hasn't made any significant changes to the process or service. On-going service measures relate to the on-going work program, not an objective.

On-going Service Measures illustrate the Department's success in achieving the results stated in the mission, and Department and Division descriptions. Note that the last line of the Mission statement template talks about the results. It is these types of results that should be the items being measured.

### **On-going Service Measures should fit the following guidelines:**

- The measure tells something useful.
- The measure shows the impact of the product or service or how well it is being provided.
- The information is not or cannot be included in the Division description.
- The information tells something important about the Department or Division workload or performance
- The information is likely to vary somewhat from year to year.
- The information is likely to be referenced by city employees, elected officials, or citizens, and should be readily accessible.

### **Developing On-going Service Measures:**

When developing On-going Service Measures, or any type of performance measures, consider the following questions:

- ✓ What are the desired results of this Department or Division?
- ✓ How will you know when you have achieved those results?
- ✓ What specific information will help you know that you have achieved those results?
- ✓ What approaches will be used to collect and track this information?
- ✓ Who will be responsible for collecting and tracking the information?
- ✓ Who will be responsible for reporting the results?
- ✓ Who is the audience for the information: Operational managers, other city agencies, elected officials, and citizens?
- ✓ Once collected how will the information be used to make products or services better?

### **Examples of On-Going Service Measures from Denver's 2003 Budget Book**

#### **County Court**

- Percent of cases closed each year
- Number of warrants issued
- Citizens using satellite courts
- Percent of fines paid at satellite courts

#### **Police operations**

- Average time from receipt of call to arrival time for:
  - Priority 1 calls
  - Priority 2 calls
- Total calls dispatched per year

#### **Environmental Protection--Environmental Management/Health Protection**

- Percent of customers satisfied with noise services
- Percent of contaminated site restoration recommendations implemented
- Number of lead cases referred by public to EPD

#### **Fire Prevention and Investigation**

- Number of plan reviews
- Response time for certificate of occupancy requests
- Response time of fire company inspection referrals
- Number of annual inspections

*Note – Other examples can be found by visiting the websites of the Cities listed in the appendices contained in this document.*

### **Frequently asked questions about on-going service measures**

- Q:** How do I know if something should be included as an on-going service measure?
- A:** Departments should include performance measures as on-going service measures under the following conditions:
- The information is not or cannot be included in the Division description.
  - The information tells something important about the Department or Division workload or performance.
  - The information is likely to vary somewhat from year to year.
  - The information is referenced by city employees, elected officials, or citizens, and should be readily accessible.
- Q:** What if there are no good measures for a product or service?
- A:** You can find some ideas for measures by looking at other cities or industry guidelines. Some ideas are listed in Appendix C & D. Chapter 4 of this review guide also offers some ideas for collecting and tracking performance information.
- Q:** What if I think of a good measure, but can't actually collect or track the information?
- A:** If you have difficulty finding a way to track a measure, Appendix C & D list informative web sites, or feel free to call your analyst or a member of the Technical Assistance for Performance, (see Chapter 1—getting help).



## **Chapter IV. Collecting and Tracking Performance Information**

### **Introduction**

Accurate reliable information is the foundation of a performance management system.

Accurate and reliable means that the data is clearly documented, and comes from a known and verifiable data source. The data is logged, tracked, stored and reported. If requested, records can be produced that support the summary information provided in the performance measures.

### **Why use a variety of performance measure types?**

There are many ways of measuring performance and they are all important to a good Performance Management system. The City of Wichita has had a tendency to measure the number of something (workload measures): number of streets paved (or lane miles), number of lots mowed, number of visitors to a park or recreation site. We have been less diligent in measuring how well we provide a product or service or how successfully that product or service is fulfilling its purpose (outcome measures): are citizens satisfied with the cleanliness of parks, is the Information Technology Integration at the Libraries giving people the access to promote personal growth and development. To be useful, performance measurement needs to look at both aspects: how many and how well.

### **Why measure how many?**

It is important to know the number of something. Knowing how many provides some basic information about the demand by customers and the load on city resources. Information such as the miles of streets paved, the number of visitors to a park or recreation center, or the number of lots mowed does provide some useful information about demand and workload. However, without context simply knowing the number of lots mowed doesn't tell us much. If we know how much we mowed in previous years, it does tell us if we are mowing more, less or approximately the same number of lots, but it doesn't tell us if we are mowing all the lots and if we are leaving a mess behind afterward.

### **Why measure how well?**

As mentioned above, by itself, basic workload and demand information is useful, but often fails to answer some very important questions such as how much a service costs or how well a service is being provided. For example, knowing the number of bus rides, combined with the labor cost, can allow us to calculate the cost per rider. Knowing the cost per rider can help to determine the cost of adding additional service, or serve as a useful piece of information in the planning process of the next year's budget. The information also can be used for the Department to make comparisons to prior year performance, other cities, or business in the private sector.

Knowing the amount and efficiency of the services being provided is important, but the ultimate goal is to demonstrate the quality or the impact of services. Measuring customer satisfaction and quality is another very important component of performance measurement. Previous performance measures might indicate that we provide as many bus rides, but at a higher cost than the private sector, but customer surveys or trained observer reports might indicate that the quality of service is substantially better. Perhaps the service offers convenience, or the routes are more timely and consistent. These quality improvements might explain and even justify the higher cost.

Determining what you want to measure is the first step. Then it is necessary to actually collect data. Following are some things to think about when creating measures and collecting the data to support them.

### **Data Collection Guidelines**

- Make sure what you are tracking is going to be useful; don't waste time collecting information that has no value.
- Before committing to a measure, identify how the data will be collected and tracked.
- The data must always be collected and tracked in the same way and according to the same standards.
- Keep data collection and tracking as simple as possible. The value of the data should outweigh the effort in collecting and tracking.
- Before beginning to collect and track data be sure you know what you will be using the data for and who will be receiving the report.
- Make sure the data is available in a timely manner. Some operational managers will need data on a daily or weekly schedule in order for it to be useful, while citizens and elected officials may only need summarized data on a monthly, quarterly or annual basis.

However, in some cases summarizing or aggregating data may cause the loss of valuable information. For example it might be useful for citizens and elected officials to know the average wait time at the entire Transit Department, but for the operational manager, it might be more useful to know the average wait time per bus-stop. This would allow the Transit Department to know which route may need additional support. This means that the information which managers and supervisors use, might be in a slightly different format than the information presented in the annual budget book.

### **Reporting Performance Data**

Currently the annual Adopted Executive Budget book is the standard format for presentation of performance information to City of Wichita elected officials and citizens. The annual budget book displays performance information in a section labeled Performance Measures, which shows prior year actual, current year projections, and future year target data. This section also includes several comparisons to other cities and may include trends over several years.

Ultimately, performance reporting must be independent of the annual budget process. During phase 3 of the project, a separate performance document will be produced. This document will allow Departments more space to provide performance information than is available in the budget book. It will allow an opportunity to display both the citizen survey results and the Department performance results. By providing the opportunity to track performance information more systematically and report it more completely we believe that performance management will become a more integral part of doing business in the City of Wichita.

## **Strategies for collecting and tracking performance information**

There are a variety of ways to collect and track performance information. This section briefly outlines a few of the most common collection and tracking strategies.

### **Measuring Efficiency**

Many Departments already report the quantity of services or products provided. Many Departments have a system to log financial transactions. Paperwork is time/date stamped when it is received. Some Departments log in a paper or computer file when a document is received. This allows them to track the progress of the document through the Department. This has two benefits: the document can be located, and the time to process the document can be calculated. For example, the number of days to process a vendor payment, or the number of days to process a personnel requisition.

In order to track transaction cost and volume, it is necessary to keep track of the number of transactions in a given time period, such as an hour, day, week. Then it is necessary to know the personnel involved in those transactions, the percentage of time they spend on those transactions, and their salary. A simple spreadsheet can assist you to calculate the average number of transactions per staff member, the average number of transactions per day, or the average cost per transaction.

### **Measuring Quality**

The simplest way to collect information about customer satisfaction is through a survey. Although some surveys are extremely complex, it is possible to collect customer satisfaction information through the use of very simple survey techniques. Some Departments, such as Environmental Health, could send out a simple customer satisfaction survey each time one of their staff responds to a complaint. Another easy way to collect customer satisfaction information is to provide small cards, which customers can pick up and fill out as they enter or leave your office or facility. These can be very simple (1 to 5 questions). The customer completes the card and drops it in a box or returns it by mail. The Internet is another quick and easy way to get customer feedback. Many cities have developed forms on the web, which allow customers to complete a satisfaction survey. Before doing a survey it is very important to know who will be responsible for collecting and tracking the data and how it will be used.

Another excellent way to measure quality is through the use of trained observer ratings. This approach can be used to evaluate such things as cleanliness of facilities, and quality of customer service. Trained observers can be Department personnel or outside participants. They use a standard rating guide, and follow established criteria. It is extremely important that all observers use the same criteria in each evaluation. As long as there is consistency in the ratings, this approach is a very effective way to establish a comparison across time as well as among similar products or services. Again, before beginning it, is important to know who will track the data, how it will be tracked, and how it will be used.

### **Measuring Impact**

Measuring impact is perhaps the most difficult, but important component of performance measurement. Government often attempts to provide services or solve problems that are extremely complex and difficult to track. Above several methods were described to measure the efficiency and effectiveness of programs such as: costs for services, customer satisfaction and

trained observer ratings. Using approaches such as these, it is relatively straightforward to measure the impact of lots mowed on the cleanliness of neighborhoods.

There are other areas where it is more difficult to measure impact: early childhood education programs, drug abuse prevention programs, and other programs designed to influence behavior. It may take years to show results, and the results may be affected by many variables; however, it is still important to track factors related to the desired impact. For example, the Library tries to reduce delinquency among children by getting them involved in different reading programs.

It is not possible to measure the number or percent of kids who would have been delinquent if they didn't participate in the program, but it is possible to compare delinquency among children participating in the program to delinquency among a similar (control) group of children not participating in the program. Therefore an impact measure might be the arrest rate, truancy rate, graduation rate, or GPA of participants as compared to a control group of non-participants.

If you have difficulty developing performance measures for the impact of your program or for any other area, there are a number of resources available to you. Appendix C & D of this review guide list model cities and other potentially helpful resources. At this time the list is brief, but we will continue to expand it. You can also ask your Budget Analyst for assistance, or contact the Technical Assistance for Performance team, (see chapter 1—getting help).

## **Appendix A**

### **Performance Management Terms**

#### **Division**

A Division is a subsection of a Department. A Division has responsibility for a specific part of the Department's mission. For example Water and Sewer has six major Divisions: Administration, Production and Pumping, Customer Service, Water Distribution, Sewage Treatment, and Sewer Maintenance. Each of these Divisions addresses a particular component of the Department's mission. (Note – It is up to each Department to determine what will be considered a Division for Performance Management purposes.)

#### **Division description**

The Division description provides specific and detailed information explaining why a Division exists and what it does. It is more detailed than the information provided in the Department description. The Division description should be clear and brief (1 to 4 sentences). A Division description should answer the questions: what, for whom, how and why.

#### **Department description**

The Department description provides a summary of the purpose and basic responsibilities of a Department. It should be brief, 2 to 5 sentences, and should not list every Division in detail. A Department description should answer the questions: what, for whom, and why.

#### **Department performance program**

The Department performance program is the narrative part of the annual budget document. It explains why a Department exists and how it serves its customers. The Department performance program consists of several components. These components are: Department and Division descriptions, mission, recent accomplishments, future year objectives and performance measures.

#### **Mission**

The mission statement is a brief summary of why the Department or Division exists and what it is trying to achieve. It tells what the Department does, who they do it for, and why. The statement is specific enough to describe the Department's purpose but general enough to last into the future. (Not project-bound)

#### **Objective**

An objective statement describes a proposed change in service or new initiative that the Department or Division is planning. Objectives can be large (a new building or program), or small (improving turn-around time). They reflect a proposed enhancement in products or services. The objective statement should tell: what the objective is, who the objective is intended to impact, what the proposed impact is, and how the impact will be achieved.

### **On-going service measures**

On-going service measures are types of performance measures that report information about the Department's core services and programs. On-going service measures are used when maintaining current service levels without significant changes in a process or service. On-going service measures relate to the on-going work program, not an objective and they demonstrate the Department's progress in achieving the Department's mission.

### **Performance measures**

Performance measures are a quantitative way of tracking and reporting what work is done and how well it is done. There are five basic types of performance measures: demand, workload/output, efficiency, effectiveness and productivity. The different measures are described in Appendix B.

### **Performance measurement**

Performance measurement is the process of collecting and tracking information about quality and quantity of work performed, services provided or products produced.

### **Performance management**

Performance management is a systematic way of collecting and using performance information in order to maximize service quality and resource utilization. It is a tool, which allows employees, supervisors, managers, elected officials and citizens to know if "we are doing the right things well".

### **Perverse Incentives**

The concept of Perverse Incentives refers to the idea that placing emphasis on a particular area can often have unintended impacts or consequences in other areas.

For example, a Department might decide to track the total number of documents processed. Once the staff is aware that they are being evaluated based on the total number processed, they may increase the speed of processing in order to complete more documents. However, one unintended result of increasing the processing speed may be to also increase the error rate. Therefore measuring total output might have a negative impact on the quality of work done.

### **Progress measure**

Progress measures are performance measures that are associated with an objective. They measure the Department's progress in meeting the goals stated in the objective. For examples of types of progress measures see Appendix B.

### **Recent Accomplishments**

Recent accomplishments are one of the components of the Department work program. They refer to the previous 12 to 18 months, and list significant accomplishments that the Department was able to achieve.

## **Appendix B**

### **Types of Performance Measures**

#### **Demand measures**

Demand measures track the total need for services. They measure the volume of services or products expected by the customers or needed by the target population:

- # Of customers requesting services
- # Of documents received
- Miles of road
- Acres of parkland
- # Of households

#### **Efficiency measure**

Efficiency Measures compare resources used with results obtained. They are usually a unit cost, comparison or a ratio and often have the words per or average, in the measure:

- # Of parking meters repaired per hour
- Average cost per customer
- Average # of days to process

#### **Effectiveness measure**

Effectiveness measures determine how well a program or Division meets an objective or fulfills a need. For effectiveness measures, some agencies have used citizen surveys, trained observers, and on-site surveys of users.

- Percentage of parking meters repaired properly.
- Percent of burglary cases where an arrest is made and property is recovered.
- Percentage of streets where the appearance is rated satisfactory.
- Number and percentage of collection routes completed on schedule .
- Citizen satisfaction as measured in a survey.

#### **Outcome measure**

Outcome measure is a term that refers to the category of performance measures that measure how well a service is being provided or how efficiently resources are being used. There are three types of performance measures that are considered outcome measures: **Efficiency, effectiveness and productivity measures**. Outcome measures are usually a percentage or a rating.

**Output measure** (See Workload measures)

**Productivity measures**

Productivity measures answer the question, “Are we getting the best bang for the buck?” Measuring productivity is not quite the same as measuring efforts and accomplishments; instead, productivity reflects “the efficiency with which resources are consumed in the effective delivery of public services.” It combines the dimensions of efficiency and effectiveness in a single indicator.

- Meters repaired per hour reflects efficiency.
- Percentage of meters repaired properly reflects effectiveness.
- Labor hours per properly repaired meter reflects productivity.

**Workload measures (also known as Output measures)**

Workload measures, also called output measures, track the amount of a product or service being provided. Workload measures do not provide information on how well a service or product is being provided.

- # of parking tickets
- Tons of trash collected
- # of fires



## Appendix C Model Cities

**Denver, Colorado:** <http://www.denvergov.org/Budget/>

Denver has a very “user friendly” website. Denver’s performance management system is a part of their budget and management office. Located on this web site you will find an instruction manual that the city uses to explain and develop some of the fundamental tools and concepts that are necessary to effectively manage based on performance. This web site is useful in many areas and the majority of the City of Wichita’s performance model, including the format, came from this guide. It provides excellent information and examples.

**ONCE AT WEB SITE: CLICK** Performance Management: Doing the Right Things Well located at the bottom left of the page.

**Austin, Texas:** <http://www.ci.austin.tx.us/budget/>

Austin has a very “user friendly” website. Austin’s performance management system is a part of their budget and management office. However, unlike Denver, the city of Austin has a city manager. Located on this web site you will find an instruction manual that the city uses to explain and develop some of the fundamental tools and concepts that are necessary to effectively manage based on performance. This web site is useful in many areas. It provides information on MISSIONS, ACTIVITIES, OBJECTIVES, and PERFORMANCE MEASURES. It also provides Department and Division examples.

**KEY SEARCH WORDS:** performance management; once at the web site, **CLICK** performance management RESOURCE GUIDE

**Portland, Oregon:** <http://www.ci.portland.or.us/auditor/pdxaudit.htm>

Portland has a city manager and a weak mayor form of government. Portland has an interesting web site. By accessing the performance information it is apparent that they have been practicing performance management and collecting performance information for quite some time now. Portland is a good resource to examine how performance measures can be used.

**KEY SEARCH WORDS: (while at the site):** Performance Management

**San Diego, California:** <http://www.ci.san-diego.ca-us/>

San Diego has a city manager rather than a strong mayor form of government. The city has a well-defined performance management document that is helpful to examine when trying to understand why performance management is structurally important. It is easy to understand and illustrates how each of the important aspects of performance management fit together.

**KEY SEARCH WORDS: (while at the site):** Performance Management + DEPARTMENT or DEPARTMENT (Police)

**Riverside, California:** <http://www.ci.san-diego.ca-us/>

Riverside has a city manager rather than a strong mayor form of government. The city has a well-defined performance management document that is helpful to examine when trying to understand why performance management is structurally important. It is easy to understand and illustrates how each of the important aspects of performance management fit together.

**KEY SEARCH WORDS: (while at the site): Performance Management + DEPARTMENT or DEPARTMENT (Police)**

**Mauldin, South Carolina: [www.mauldin.govoffice.com](http://www.mauldin.govoffice.com)**

Mauldin has a city manager form of government. It is beginning to relate performance management with citizen surveys and provides useful information on how Performance management and citizen survey results can be used as effective management tools.

**KEY SEARCH WORDS: Performance measurement and citizen survey results.**

**Seattle, Washington: <http://www.ci.seattle.wa.us/>**

Seattle has developed their performance management in correspondence to private sector business plans. The city of Seattle has performance management as a function of the auditor's office. It provides information on how performance measurement is useful to tax payers, elected officials, and city managers. Seattle does a good job of using performance information to address major areas of public concern.

This site is a great resource for help on performance MEASURES, and the RELATIONSHIP between OBJECTIVES and PERFORMANCE MEASURES, as well as WORK PROGRAMS.

**KEY SEARCH WORDS: (while at the site): Performance Management**

**Fairfax, Virginia: <http://www.co.fairfax.va.us/index.htm>**

The Fairfax web site serves as an excellent resource for many purposes in regard to performance management. The site offers a comparison of other cities performance. The site also provides an on-line performance manual, which can be used as an education tool for developing and understanding performance measures.

Once at the site use **KEY SEARCH WORDS: performance measurement**; then CLICK on performance document; this will take you to the Fairfax performance manual. Here you will find valuable information on TYPES OF MEASURES, HOW TO DEVELOP and USE PERFORMANCE MEASURES, and how to DEVELOP DATA.

## Appendix D Other Resources

### **The International City and County Management Association (ICMA):**

<http://www.icma.org/go.cfm>

The ICMA is an excellent resource. It provides not only the history of performance measurement, but outlines the benefits and recommendations on how to use performance measurement. The site is most useful when finding performance indicators (ways to measure what you do!) It offers performance indicators for POLICE, FIRE, PARKS, NEIGHBORHOOD SERVICES, LIBRARY, FLEET, IT, PURCHASING, RISK MANAGEMENT, AND SUPPORT SERVICES.

Once at site **CLICK** on **INFORMATION RESOURCES**, then **CLICK** on **PERFORMANCE MEASUREMENT in the green box**.

Two helpful resources are history and background of performance measurement, and performance indicators.

### **Government Finance Officers Association (GFOA):**

<http://www.gfoa.org/services/rp/budget.shtml>

GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. The association's nearly 15,000 members are dedicated to the sound management of government financial resources. (GFOA – about GFOA) This is a good website to get information about preferred practices. The site offers information regarding the history and practices of performance management. **KEY SEARCH WORDS:** Performance measures

**GFOA** also offers insight to “**Best Practices**”:

<http://www.gfoa.org/services/nacslb/>

This site gives information regarding Best Practices and links to sites that are considered to be best practices by municipalities. It also describes the importance of output measures.

### **Governmental Accounting Standards Board (GASB):**

<http://accounting.rutgers.edu/raw/gasb/>

This web site concerns the use and reporting of performance measures for government services. It contains up-to-date information on performance measures, result management, and the GASB performance measure project. **KEY SEARCH WORDS:** Performance Measures

### **Government Performance and Results Act:**

<http://www.npr.gov/npr/library/misc/s20.html>

This is a link to the Government Performance Act of 1993. It provides the purpose and details of the act that calls for managers to articulate program goals and program performance in order to improve program efficiency and effectiveness. This link will take you directly to the act.

The Congressional Institute of the Government Performance Act will provide more detailed information on the above link; <http://www.conginst.org/resultsact/introduction/gprarpt.html>